

SENATE BILL 2622
By Haynes

AN ACT to amend Tennessee Code Annotated, Title 55, Chapter 17, Part 1 and Section 55-3-127, relative to motor vehicle sales.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 55-3-127, is amended by deleting subsection (a) in its entirety, and by substituting instead the following language:

(a)(1)(A) It is an offense for a motor vehicle dealer to knowingly or recklessly fail or neglect to deliver a certificate of title to the division, a transferee, a purchaser, or other person lawfully entitled thereto within twenty-eight (28) days of the date of sale of such motor vehicle.

(B) Each certificate of title not timely delivered is a separate violation of subsection (a)(1)(A). A violation of subsection (a)(1)(A) is a Class E felony. In addition, the motor vehicle dealer license shall be revoked in accordance with the provisions of § 55-17-114(e).

(2)(A) It is an offense for any person, other than a motor vehicle dealer, to fail or neglect to deliver any certificate of title to the division, a transferee, or other person lawfully entitled thereto.

(B) It is an offense for any person to fail or neglect to properly endorse any certificate of title.

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(C) It is an offense for a motor vehicle dealer to negligently fail or neglect to deliver a certificate of title to the division, a transferee, a purchaser, or other person lawfully entitled thereto within twenty-eight (28) days of the date of sale of such motor vehicle.

(3) A violation of subsection (a)(2) is a Class C misdemeanor.

SECTION 2. Tennessee Code Annotated, Section 55-17-114, is amended by adding the following language as a new subsection (e):

(e) The commission shall revoke the license of a motor vehicle dealer convicted of a violation of § 55-3-127(a)(1)(A). A motor vehicle dealer so convicted shall be ineligible to apply for or receive a motor vehicle dealer license for a period of five (5) years following a first conviction. For a second or subsequent conviction, the period of ineligibility shall exceed five (5) years and, in the discretion of the commission, such person may be ineligible to ever again be issued a motor vehicle dealer license in this state.

SECTION 3. Tennessee Code Annotated, Section 55-17-114(a), is amended by adding the following language as a new subdivision (7) and renumbering the subsequent subdivisions accordingly:

(7) The applicant or license holder negligently failed or neglected to deliver a certificate of title to the division, a transferee, a purchaser, or other person lawfully entitled thereto within twenty-eight (28) days of the date of sale of such motor vehicle;

SECTION 4. Tennessee Code Annotated, Title 55, Chapter 17, Part 1, is amended by adding the following language as a new, appropriately designated section:

Section _____. It is a violation of this part for a motor vehicle dealer to assess any fees for preparing documents, for title or registration transfers, or for any other purpose, for a second or subsequent motor vehicle sold to the same purchaser if a valid title is not obtained or cannot be obtained for the original motor vehicle sold to the purchaser.

SECTION 5. This act shall take effect July 1, 1998, the public welfare requiring it.